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State Dept. review completed

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 11 February 1954

BERLIN CONFERENCE DEVELOPMENTS - VIII

The prospects of uprisings in East Germany: There is a strong undercurrent of rebellion in East Germany that is kept from erupting only by the threat of Soviet military reprisal. Although there have been no reports of violence or demonstrations, there have been overt vocal expressions of opposition to the regime in the factories and on the streets, announced intentions to strike, revolt, or "march on Berlin" in support of the East German popular demand for free elections and German unity.

Soviet and East German authorities anticipated this popular mood and took elaborate security precautions prior to the beginning of the conference. Particular attention has been paid to Berlin where the existing Soviet garrison of 5000 troops was increased by about 1800 men during January. Additional security measures have been reported throughout East Germany, and surveillance programs have been particularly strict in factories known to be sources of strong discontent.

The basic demand of the East German people since the June riots has been for political reform, and there have been no concessions to this demand. The regime has made energetic attempts to improve the food and consumer goods supply, but even if these measures are successful in raising the living standard, the German people will not accept them as a substitute for basic political reform. At the present there are continuing shortages of heat, electricity, and some food supplies.

If the Berlin conference should end in failure, the popular desire to revolt will probably be inflamed by a feeling of desperation. Nevertheless, the Soviet military and coercive capabilities are such that no successful revolt could be launched without arms or assistance from outside sources, and the East German people are therefore not likely to attempt a full-scale uprising. The West German Socialists who have influence in East Germany are taking steps to caution the East German population against rash action because it cannot succeed. The failure of the Berlin conference would be likely to result in an increased flow of refugees to West Germany.

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Communist propaganda on Austria: Current Soviet propaganda, repeated by the Austrian communist press, charges that the ruling circles of Austria, having finally abandoned the abbreviated treaty, are seeking the revision of article 35 and are attacking Soviet enterprises in Austria. It says that such a campaign will not contribute to the creation of a favorable atmosphere for talks on the Austrian treaty at Berlin.

Another Soviet broadcast alleges that Austrian participation in the Council of Europe would bring it into "an aggressive military bloc". The recent heavy campaign of charges that the United States and the Bonn government are plotting an Austrian Anschluss is continuing. It is charged that part of the plan involves turning over former German assets in Austria to German industrialists. Communist papers have claimed that Adenauer wants an Anschluss in order to use Austria's economic and military potential for an armed attack on East Germany.

This heavy propaganda emphasis may be preparing the way for new Soviet demands at Berlin for assurance of Austria's military and economic neutrality. The Communist press in Austria has also strongly attacked the idea that the stalemate on other issues at Berlin makes an Austrian solution more likely.

One Austrian Communist paper has said that the American refusal to agree to Molotov's plan for troop withdrawal prior to elections in Germany proved it would be unwilling to give up its military positions in Austria. It saw in Molotov's proposal a sign that the Soviet Union could have no interest in the continued occupation of Austria.

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